



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 22, 1999

H.R. 1431 **Coastal Barrier Resources Reauthorization Act of 1999**

As ordered reported by the House Committee on Resources on June 9, 1999

SUMMARY

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 1431 would cost \$6.5 million over the 2000-2004 period. The bill also could affect direct spending; therefore, pay-as-you-go procedures would apply. We estimate, however, that any such effects would be less than \$500,000 a year.

H.R. 1431 would reauthorize the Coastal Barrier Resources Act and would authorize the appropriation of \$1 million annually for programs carried out under the legislation for fiscal years 2000 through 2004. Section 5 of the bill would direct the U.S. Fish and Wildlife Service (USFWS) to undertake a pilot project to determine the feasibility and cost of creating digital versions of maps of the Coastal Barrier Resources System. The agency would have two years to report its findings to the Congress. For this purpose, section 5 would authorize the appropriation of \$500,000 annually for fiscal years 2000, 2001, and 2002. H.R. 1431 also would direct the USFWS to correct or modify existing maps for three units of the Coastal Barrier Resources System in Delaware, Florida, and North Carolina.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that implementing H.R. 1431 would cost \$1.5 million a year for 2000, 2001, and 2002; and \$1 million a year for 2003 and 2004. (The program received an appropriation of \$488,000 for 1999.) The costs of this legislation fall within budget function 300 (natural resources and environment).

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that the full amounts authorized for managing the Coastal Barrier Resources System and conducting the pilot program on digital mapping will be appropriated for each fiscal year.

H.R. 1431 could affect direct spending by altering the existing boundaries of three system units to exclude developed lands, thereby enabling the property owners to obtain federal flood insurance. Once insurance policies have been written on the affected properties, offsetting collections from premiums paid into the national flood insurance fund would increase by less than \$500,000 a year. Collections would be partially offset by new mandatory spending for underwriting and administrative expenses. The federal government might also incur additional costs for losses associated with any future floods that might affect the excluded lands, but CBO has no basis for predicting such floods or their resulting costs.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. H.R. 1431 could affect direct spending but CBO estimates that net changes in direct spending would be less than \$500,000 a year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1431 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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